

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2271 - HB 2454

February 12, 2012

SUMMARY OF BILL: Requires certificates of insurance to be filed with the Department of Commerce and Insurance (TDCI) for approval. Defines "certificate of insurance." Requires an approved form to include specified language. Exempts the Association for Cooperative Operations Research and Development (ACORD) and the Insurance Services Office (ISO) from the filing requirement and deems those forms approved. Prohibits persons from requesting, preparing, or issuing a certificate of insurance that is false or misleading. Authorizes a producer to issue an addendum to a certificate to explain the policy coverage. Directs that such an addendum does not confer any rights beyond those created in the policy language. Prohibits references to contracts other than the referenced contract of insurance within a certificate of insurance. Grants the certificate holder a right to notice of cancellation. Authorizes a producer to charge a reasonable fee for providing the certificate to a requesting person. Requires any certificate issued in violation of this section to be null and void. Authorizes the Commissioner of TDCI to issue fines up to \$1,000 per violation. Authorizes the Commissioner to promulgate rules and open investigations to enforce these requirements.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based upon information provided by the Department of Commerce and Insurance, enforcement of this bill through the handling of complaints and the review of additional form filings can be accomplished by utilizing existing resources.
- Any increase in revenue from the issuance of the fines is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

SB 2271 - HB 2454

/sbh